

FOR IMMEDIATE RELEASE

October 30, 2009

CE&SF- 154 09



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NEWS RELEASE

Cal Expo Extends Letter of Understanding with the NBA

New LOU will expire on May 31, 2010

SACRAMENTO, CA (October 30, 2009) –The California Exposition & State Fair (Cal Expo) Board of Directors today voted unanimously to extend the current Letter of Understanding (LOU) with the National Basketball Association (NBA). The existing LOU was due to expire on November 30, 2009. The Cal Expo board voted to extend the LOU for an additional six months, to expire on May 31, 2010.

In 2008, Cal Expo entered into exclusive negotiations with the NBA to seek a viable solution for redeveloping the Cal Expo fairgrounds, in order to upgrade the facility and build a new arena and sports complex to replace ARCO Arena. Cal Expo and the NBA have been in continual discussions to accomplish that task and most recently have been working to finalize a Request for Qualifications (RFQ) that will be issued to potential developers interested in the proposed project.

An extension of the LOU will afford enough time for the RFP to be finalized and issued if approved by the Cal Expo Board.

“The fact that the NBA and Cal Expo both want to extend the LOU for at least another six months sends a very clear message that both parties are committed to the current negotiations at Cal Expo,” said Rex Hime, Chair of the Cal Expo Board’s Real Estate Committee. “For Cal Expo, there is no downside to continue to be a lead player in the discussions to create a new fairgrounds and arena in Sacramento.”

Both Cal Expo and the NBA have indicated that they remain steadfast in their commitment to explore all possible development options. In a recent statement, Cal Expo CEO Norbert J. Bartosik offered the following comments:

“We are pleased to learn that the Mayor is committed to developing a new sports arena complex in Sacramento. Our position is simple: we will continue working with the NBA and the local government to create a win-win solution for all parties. We are open to exploring all the available options, with the intent to identify a redevelopment solution for Cal Expo, and hopefully the arena as well.”

For more information, media should contact the Cal Expo Media Center at 916-825-0646 or via email at mediacenter@calexpo.com. Inquiries from the general public should be directed to info@calexpo.com or 877-CAL-EXPO.

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